

Maritime Administration, DOT

§ 272.3

272.5 Prior instructions superseded.

Subpart B—Requirements and Procedures for Determining the Condition of Eligible Vessels.

- 272.11 Scope.
- 272.12 Determining the condition of eligible vessels.
- 272.13 Operator's responsibilities.
- 272.14 Survey procedures.
- 272.15 Execution of condition survey reports.
- 272.16 Non-compliance with survey requirements.

Subpart C—Eligibility Criteria for M&R Subsidy; Substantiation of M&R Expenses

- 272.21 General eligibility criteria.
- 272.22 Improvements and other similar work.
- 272.23 Examples of ineligible expenses.
- 272.24 Subsidy repair summaries.
- 272.25 Requirements for subsidy repayment.

Subpart D—Penalties

- 272.31 Determination of penalty.
- 272.32 Mitigation of penalty.
- 272.33 Appeals.

Subpart E—Examination, Audit, Review and Appeal Procedures

- 272.41 Requirements for examination and allocation of M&R expenses.
- 272.42 Audit requirements and procedures.
- 272.43 Review and appeal procedures.
- 272.44 Dates.

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Subpart A—General

§ 272.1 Purpose.

The purpose of this part is to prescribe the requirements and procedures for determining the condition of vessels receiving operating-differential subsidy, to prescribe the requirements for reporting and substantiating maintenance and repair (M&R) expenses, and to establish the criteria and procedures for determining whether a M&R expense is subsidizable.

§ 272.2 Scope.

Except as otherwise provided in subpart B, the provisions of this part apply only to vessels operating under

an operating-differential subsidy agreement which provides for the payment of M&R subsidy, except that this part does not apply to any vessel operating under an operating-differential subsidy agreement for the carriage of bulk raw and processed agricultural commodities from the United States to the Union of Soviet Socialist Republics, pursuant to part 294 of this chapter.

§ 272.3 Definitions.

For the purposes of this part:

(a) *Act* means the Merchant Marine Act, 1936, as amended, 46 App. U.S.C. 1101 *et seq.*

(b) *MARAD* means the Maritime Administration, a unit of the United States Department of Transportation, as distinguished from the Board (which is a unit of MARAD).

(c) *Board* means the Maritime Subsidy Board of the Maritime Administration.

(d) *Domestic Origin*:

(1) *Labor*. With respect to labor, Domestic Origin means that the work shall be performed by a U.S. ship repair facility, a U.S. independent contractor, or by the Operator's own shore gang.

(2) *Materials*. With respect to materials, Domestic Origin means that all articles, materials, and supplies shall be of the growth, production or manufacture of the United States.

(e) *Eligible Vessel* means a vessel operated under an ODSA, other than an ODSA subject to part 294 of this chapter, which provides for the payment of M&R subsidy with respect to the operation of that vessel.

(f) *Equipment* means that part of an Eligible Vessel that is not part of the vessel's hull or machinery.

(g) *Expendable equipment* means those articles, outfittings and furnishings that are portable, semi-portable or detachable, that are used in equipping a ship for service and in its normal day-to-day maintenance and operation, and that are subject to casual or gradual deterioration and replacement. It does not include items classified as stores and supplies or Spare Parts.

(h) *Improvement* means work to be performed on an Eligible Vessel which is a modification, alteration, addition or betterment, which may be accomplished separately from M&R, but may